

# CITY OF BEAVERTON, OREGON

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## **INTRODUCTORY SECTION**



# CITY of BEAVERTON

4755 S.W. Griffith Drive, P.O. Box 4755, Beaverton, OR 97076 TEL: 526-2481V/TDD Fax 526-2571

ROB DRAKE  
MAYOR

December 6, 2004

Mr. Forrest Soth, Council President  
Ms. Betty Bode, Councilor  
Mr. Dennis Doyle, Councilor  
Mr. Fred Ruby, Councilor  
Ms. Cathy Stanton, Councilor  
City of Beaverton  
PO Box 4755  
Beaverton, Oregon 97076

Dear Beaverton City Councilors:

In accordance with state statutes and local charter provisions, I hereby transmit the Comprehensive Annual Financial Report of the City of Beaverton, as of June 30, 2004 and for the fiscal year then ended. Management is responsible for the information and representations contained in this report, and I believe the information presented is accurate in all material aspects and fairly sets forth the financial position and results of operations of the City.

This report has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) appropriate under the circumstances and reflects, in all material respects, the substance of events and transactions that should be included. It has also been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada. In accordance with these guidelines, the accompanying report consists of the following:

- Introductory section, including the Finance Director's letter of transmittal.
- Financial section, including Management's Discussion and Analysis, basic financial statements, notes to the basic financial statements, required supplementary and supplementary information accompanied by our independent auditor's report.
- Statistical section, including a number of tables of unaudited data depicting the financial history and financial trends of the City, information on overlapping governments, demographic and economic information, and other miscellaneous information.
- As required by the Minimum Standards for Audits of Oregon Municipal Corporations, Audit Comments and Disclosures are included.

The Government Finance Officers Association awards Certificates of Achievement for Excellence in Financial Reporting to those governments whose annual financial reports are judged to conform substantially with high standards of public financial reporting, including GAAP promulgated by the Governmental Accounting Standards Board. Our City has been continuously awarded Certificates of Achievement for Excellence since the fiscal year 1979. It is my belief that the accompanying fiscal year ended June 30, 2004 Comprehensive Annual Financial Report continues to meet these high standards, and it will be submitted to the Government Finance Officers Association for review.

State law requires that the City's financial statements be audited by an independent certified public accountant selected by the City Council. This requirement has been complied with, and our independent auditor's report is included in the financial section of this report.

Collectively, the City Council, the Budget Committee, the Administration, and I have maintained the City's strong financial stability. We have limited and controlled expenditures to hold the City's tax levy below its authorized permanent rate.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rob Drake", with a stylized flourish at the end.

Rob Drake  
Mayor



# CITY of BEAVERTON

4755 S.W. Griffith Drive, P.O. Box 4755, Beaverton, OR 97076 General Information (503) 526-2222 V/TDD

December 6, 2004

Honorable Mayor and Members of the City Council  
City of Beaverton, Oregon

In accordance with ORS 297.425, the City's Finance Department is pleased to submit the Comprehensive Annual Financial Report of the City of Beaverton (City) for the fiscal year ended June 30, 2004.

This report is published to provide the City Council, our citizens, City Staff and other readers with detailed information regarding the financial position and activities of the City. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City management.

To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to present fairly the financial position and results of operations as measured by the financial activity of its various funds. The accompanying disclosures are necessary to enable the reader to gain an understanding of the City's financial affairs.

## THE REPORT

The Comprehensive Annual Financial Report (CAFR) is presented in four sections: Introductory, Financial, Statistical and Audit Comments and Disclosures Required by State Regulations.

The Introductory Section includes this transmittal letter, the City's organizational chart and a list of principal officials, and the Government Finance Officer's Certificate of Achievement for Excellence in Financial Reporting.

The Financial Section includes the independent auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements for the City as a whole, fund financial statements, notes to the basic financial statements, Required Supplementary Information, and Supplementary Information containing combining and individual statements and schedules for the City's funds.

The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. This section also includes annual disclosure information in conformance with Securities and Exchange Commission (SEC) rule 15c-2-12 for the outstanding water revenue bonds and the 1999 library general obligation issue.

Also included are the Audit Comments and Disclosures Section containing information as required by state regulations.

In addition to the above-mentioned report, the City of Beaverton is required to have an Audit of Expenditures of Federal Awards performed in accordance with the United States Office of

Management and Budget (OMB) Circular A-133 and the provisions of *Government Auditing Standards*. Reports on the City's compliance with applicable Federal laws and regulations for the year ended June 30, 2004 have been issued under separate cover. These reports can be requested by writing to the Finance Director, City of Beaverton, P.O. Box 4755, Beaverton, Oregon 97076.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Beaverton's MD&A begins on page 3, immediately following the report of the independent auditors.

## **CITY OVERVIEW**

The City was incorporated in 1893 and operates under the provisions of its own charter and applicable State law, with a Mayor-Council form of government. The charter was last amended by Beaverton voters in November of 1980 with an effective date of January 2, 1981. The Charter provides for five councilors elected at large to serve a four year term. The mayor is the Chief Executive of the City and chairs City Council meetings. The mayor is elected at the regular biennial general election in November every four years.

The City provides a full range of services. These services include police protection, emergency management services, traffic control and improvements, street construction, maintenance and lighting, traffic signals, water, sanitary and storm sewer services, planning, zoning and subdivision control regulations, building inspections and regulations, and community library service.

For financial reporting purposes, this report includes all funds of the City that are subject to appropriation by the City Council. For financial planning and control, the City prepares and adopts an annual budget in accordance with Oregon Revised Statutes Chapters 294.305 through 294.565. The legally adopted budget is established, at a close level, by object and activity within an individual fund. Budgetary control is internally administered at a more restrictive level. Budget-to-actual comparisons are provided in the report for each individual fund for which an appropriated annual budget has been adopted. The comparisons are presented as supplementary information to demonstrate compliance with the adopted budget.

## **ECONOMIC CONDITION AND OUTLOOK**

The City of Beaverton is the second largest incorporated City in Washington County and is located in the eastern portion of the County in northwest Oregon, approximately nine miles from downtown Portland. In recent years, the Washington County economy has diversified and jobs have grown rapidly at rates that exceed those of the national and regional economies.

The City's mission is to "Preserve and enhance Beaverton as a responsive, dynamic, attractive and safe community". It has been the City's policy to represent the interests of the citizens of Beaverton with all of the other governmental agencies and to work with them to improve the quality of life in Beaverton. The City is committed to maintaining a strong economy, one that fosters business prosperity and enables the quality services and programs of a first class city at a reasonable cost.

Beaverton is Oregon's sixth largest city with a July 1, 2003 population of 79,020 and Washington County is the State's second largest county with a population of approximately 472,600. Both Beaverton and Washington County have experienced a steady rate of growth in recent years.

The Beaverton economy today offers:

- a hospitable, prosperous environment for business development and expansion,
- a diverse manufacturing base with major employers in high-tech, sports equipment and clothing, food processing, and wood products,
- an array of small, innovative high technology companies,
- a mature network of manufacturing suppliers,
- some of the most desirable warehouse and distribution space in the area.

Manufacturing diversity is the hallmark of a prosperous economy. Beaverton shares the diverse manufacturing base for which the region is noted. Lumber and wood products, packaging, paper products, fabricated metal products, machinery, computers, electrical equipment, instruments, food products and apparel are among the products manufactured in our City. Transportation has always been important to the Beaverton economy. Two major freeways, U.S. 26 (the Sunset Highway) and State Highway 217 connect the City to Interstate 5 (north-south) and to Interstate 84 (east-west). The City is served by the Southern Pacific and Burlington Northern Railroads. West side light rail line connects downtown Portland with Beaverton and continues west connecting to the City of Hillsboro. Air transportation is available at Hillsboro Airport (the State's busiest general aviation airport), about 15 minutes west of the City and commercial carrier service is available at Portland International Airport, about 30 minutes northeast of Beaverton.

The State's general economy began experiencing a downturn beginning December 2001. Inflation in the Portland metropolitan area has been somewhat higher than the national consumer price index increases, due in some measure to a strong housing market. The Portland metropolitan unemployment rate as of June 30, 2004 was 6.8% and Oregon's unemployment rate is one of the highest in the nation at 6.9% while the U.S. unemployment rate was 5.6%.

## SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

**Block Grant Activity:** The City completed its tenth year as a recipient of the Community Development Block Grant (CDBG) Program from the U.S. Department of Housing and Urban Development. In FY 03-04, the City purchased a child care facility using \$200,000 in block grant funds and \$752,000 in HUD Section 108 loan proceeds. The purchased building is leased by Community Action of Washington County, which operates Head Start and Early Head Start programs. By purchasing the building and lowering Community Action's rent, the City has enabled the Head Start programs to serve more low-income families, and guaranteed Head Start a long-term home in Beaverton. The Beaverton Head Start Center currently serves 89 children. As the Consolidated Plan lists fair housing activities and all other public services as a high-priority need, the City continues to allocate the maximum 15% of the total CDBG allocation to public services annually. In 2003, the City allocated \$108,450 to eight public service activities. Also in a close working relationship with the Portland Development Commission, the City's Housing Rehabilitation Program provides moderate to very low income homeowners with low interest loans and grants to make necessary repairs to address health and safety issues and other building code deficiencies. In this year, the rehabilitation of three houses and seven mobile homes were funded with CDBG funds.

**New Aquifer Storage and Recovery Program and Drinking Water Fluoridation:** The City has implemented a new (to Oregon) technology that will provide water during times of high use through creative use of a natural storage system: aquifer storage and recovery (ASR). ASR technology enables the City to meet the water demand, and delay or even avoid the need to purchase water, expand water treatment, and build above ground storage reservoirs and new conveyance facilities. ASR involves pumping drinking water from the City's water treatment plant into natural underground basalt formations, or aquifers, where it is stored for later use. The basalt formation is volcanic rock with cavities much like an irregular honeycomb. The City used ASR Wells Number 1 and 2 during the summer of 2004, and up to 400 million gallons of drinking water will be stored in

the aquifer during the winter months for recovery during the peak summer use. ASR Wells Number 3 and 4 are under feasibility study and construction phases.

In November 2002, our citizens voted in favor of fluoridation of our drinking water, and in May of 2004, the City began to add sodium fluoride in the drinking water. Fluoridation of Beaverton's drinking water is monitored for compliance with the regulations by the Oregon Department of Human Services and U.S. Environmental Protection Agency.

**Economic Development and Downtown Redevelopment:** The Economic Development Program continues to be strong and active. The City is working hard to attract new businesses and support our existing business base. The efforts during the FY 03-04 includes an analysis to investigate the potential for innovation centers to promote the development and expansion of technology business; assisting with development of a health clinic/senior apartment facility, and the second phase of the downtown beautification project. In recognition of Beaverton's effort and progress in revitalizing downtown, the tri-county regional government Metro has selected Beaverton as the pilot project for a \$100,000 grant from Metro's 2040 Regional and Town Centers Program.

**Beaverton Resource Center:** After the completion of the new City Library facility, the former Library was remodeled to become the Beaverton Resource Center. In a partnership with the Beaverton School District, about one-third of the facility became the English as a Second Language (ESL) Welcome Center for new students. The remaining space was divided between the Police Activities League (PAL) for youth, Asian Family Services and much needed additional community meeting rooms. In February 2004, the Asian Health & Service Center opened in the remaining vacant space providing a range of services including mental health services, youth, family and senior services, and recreation and cultural activities to Beaverton's diverse multi-cultural community.

**Virginia Garcia Memorial Health Clinic** was granted \$759,000 by the federal Department of Health and Human Services in August 2003, to open a primary care health clinic in Beaverton. One proposal includes constructing a multi-story mixed use building in Beaverton's downtown for the 15,000 square foot clinic, additional health and social service uses and 66 affordable senior housing units.

**Police:** The Police department re-emphasized its commitment to the Community Oriented Policing and Problem Solving (COPPS) philosophy as the number one priority in providing efficient and effective law enforcement to Beaverton residents. The COPPS philosophy is based on the concept that partnerships between police and citizens help increase public safety and reduce crime. The department's Student Academy program, Police Activities League, and many volunteer programs are examples of this concept. The City was fortunate to receive a \$248,375 federal grant award to develop an Identity Theft and Fraud Prevention program.

**Engineering and Operations:** Among the most visible projects in Beaverton has been the transformation of Hart Road between Murray Boulevard and 165<sup>th</sup> Avenue. Working with Washington County, this project improved vehicle, bike and pedestrian safety and mitigated drainage problems by widening Hart Road from two to three lanes, installed curbs, bike lanes, planter strips, sidewalks, storm drainage, street lighting and landscaping. Another project completed this year is Phase 1 of the 125<sup>th</sup> Avenue extension, which involves safety improvements to the 125<sup>th</sup>/Greenway/Brockman intersection.

The City of Beaverton has achieved the designation of Tree City USA for nine years. This designation requires meeting high standards established by the National Arbor Day Foundation and the National Association of State Foresters. A healthy urban forest contributes to a healthy community by not only adding beauty to our neighborhoods, but it also improves the air quality and ecological benefits.



**Finance:** Property taxes are assessed using a levy rate on each \$1,000 of taxable assessed valuation. The City levies two types of property taxes, one for general governmental operations and the second for voted general obligation debt repayment.

The City's permanent tax rate is \$4.62 per thousand of assessed valuation (the permanent rate does not include taxes for payment of general obligation debt). For FY 03-04, the City levied \$3.53 which is equivalent to 76% of the \$4.62 permanent levy rate. The increment between the levied rate and the permanent levy rate is \$1.09 and it will provide a very stable tax revenue source for the next several years to meet the City's projected operating expenses for phasing-in the public safety enhancements. Under Measure 50, the City's taxable assessed valuation is allowed to increase by 3% per year, plus the increase in values for new construction and annexations that occurred during the previous fiscal year. Beaverton is one of the very few taxing jurisdictions that has not levied its full permanent rate.

### FACTORS AFFECTING FINANCIAL CONDITION

**State Economy:** The State's general economy began experiencing a downturn beginning December 2001. The State Legislature reduced state spending by approximately \$800 million in order to make up the projected \$1 billion revenue shortfall for the current budget biennium (July 1, 2003 through June 30, 2005). The Legislature also placed a tax increase measure on the February 2004 election to bridge the gap between the revenue shortfall and the reduced spending. The measure failed; however, the State's economy has seen a slight increase over the past six months and together with additional spending savings, the shortfall will most likely not be realized. The State's unemployment rate is still one of the highest in the nation at 7.2% as of March 2004 as compared to the U.S. average of 5.7%. In addition, state and local governments that participate in the State's Public Employee's Retirement System (PERS) were facing significant funding increases (40% to 55%) to the retirement system in FY 03-04. The increases were needed to fund the system's projected \$17 billion dollar unfunded actuarial liability. To alleviate the projected deficit, the State Legislature enacted three House Bills (HB 2001, 2003 and 2004) that reduced the retirement system's future benefits to PERS retirees. The result was a reduction in the unfunded actuarial liability and a reduction in the PERS funding increase for FY 03-04 to the 10% to 12% range. Several lawsuits have been filed in the Oregon Supreme Court challenging the constitutionality of the three House Bills.

**Local Beaverton Area Economy:** The local area economy has not seen the identical downturn that the State of Oregon experienced. Our city business license revenues decreased by 6.9% from FY 01-02 to FY 02-03. The license fee is based upon a fixed base amount (\$50) plus \$8.50 per full time equivalent employee. For FY 03-04, business license revenues regained 82% of the revenue reduction that was experienced in the prior year.

Residential building permit activity has remained strong in FY 03-04 and is expected to increase significantly in FY 04-05 and future years with two large land developments. The first development is Progress Quarry, a 110-acre mixed use development consisting of 746 multi-family dwelling units with approximately 20 acres of commercial use. The development is in its first year of a five-year construction build out period with approximately 20% of the units constructed. The second development is the Teufel property, also a mixed use development. The project has received 2/3 of the land use entitlement approval consisting of 900 dwelling units. Construction is expected to begin in April 2006 and will have a four to five year construction build out period.

The FY 04-05 budget includes \$657,500 for the City's economic development program including \$450,000 as the first year of a three-year funding commitment to develop a Beaverton Business Incubator facility. The vision for the Beaverton Incubator is to promote the City of Beaverton as the premier place in Oregon to start and grow technology businesses. As a center of entrepreneurial



activity, the Beaverton Incubator will foster the startup and growth of specified types of software companies in the City of Beaverton by providing business assistance and flexible space. The Beaverton Incubator will be the first incubator in the State of Oregon focused on software and specific emerging sectors within the software industry. The Beaverton Incubator will become a center for entrepreneurial activity by attracting entrepreneurs developing technology in emerging sections for the software industry and providing them with critical expertise and coaching, a network of contacts, and flexible office space designed to foster growth.

**Property Taxes:** As mentioned above, the City does not levy its full permanent rate authority of \$4.62 per \$1,000 of assessed valuation. The City is levying \$3.68 for FY 04-05. The variance of \$0.94 would produce an additional \$5,251,000 in property taxes using this year's assessed valuation. This additional revenue source will meet our future increases general governmental operations.

**Library Operations:** In the November 2002 election, Washington County voters did not approve an additional operating levy for the Washington County's Consolidated Cooperative Library System (WCCLS). In FY 02-03, the City received \$3 million from WCCLS and, if the additional levy had passed, we were to receive \$3.8 million in FY 03-04. With the county-wide levy failure, the FY 03-04 library funding from WCCLS decreased to \$2.7 million, which is a combined reduction of \$1.1 million over the expected funding had the levy passed. Due to the reduced revenue, the library's FY 03-04 operations reflected reduced hours from 71 hours per week to 60 hours per week by trimming the least used hours - early morning and late evening. Even with the reduced hours of operations and appropriation reductions, the Library's FY 03-04 operations used \$504,800 of its \$1,577,429 contingency reserve account.

The Washington County Board of Commissioners placed a measure on the May 18, 2004 election to again seek voter approval of the additional operating levy; however, the levy did not pass. The library's current budget was based upon receiving \$2.7 million from WCCLS, which will further reduce the Library Fund's contingency level. Total revenues for the library's adopted FY 04-05 budget is \$4,296,883 and with expenditures totaling \$4,963,939, the contingency account will be reduced by \$667,056 for a projected ending contingency reserve balance of \$321,893. However, since the FY 04-05 adoption of the library budget, the city has further reduced annual operating costs by approximately \$500,000 and reduced hours of operations from 60 hours per week to 49 hours per week. The reduced operating costs will keep expenditures more in line with revenues until FY 06-07 when the next operating levy can again be placed before the voters.

**Public Employee Retirement Funding:** A significant fringe benefit cost is the continuation of the PERS contribution rate that the City is appropriating. As mentioned in the State Economy section, the FY 03-04 PERS contribution rates were proposed to increase between 40% and 55% over the FY 02-03 contribution rates. For Beaverton, the FY 02-03 PERS contribution rate was 13.77% of covered payroll and amounted to \$3,084,948. The proposed rate for FY 03-04 was projected at 20.21%, which is an increase of 47% and would have amounted to \$4,823,000. With the passage of House Bills 2001, 2003 and 2004, the City's FY 03-04 PERS contribution rate was reduced from 20.21% to 15.22%. However, since the three house bills have been appealed to the Oregon Supreme Court and the outcome is unknown, the City elected to appropriate PERS contributions at the higher 20.21% rate in the FY 03-04 budget. The City remits to PERS the contributions at the 15.22% rate and retains the difference of 4.99% in a set aside account. If the house bills are overturned, the City would have the funding to contribute to the retirement system from this account.

## FINANCIAL INFORMATION

The City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting

data are compiled to allow for the preparation of financial statements in conformity with GAAP. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

**Budgeting Controls:** The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise Funds, and Internal Service Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by object and activity within an individual fund. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances represent commitments related to unperformed contracts for goods or services. Commitments for expenditures in the governmental fund types are recorded as a reservation of fund balance on the balance sheet, indicating a portion of the fund balance has been designated for expenditures upon contract performance. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

**Cash Management and Investments:** The City maintains a daily cash portfolio of investable funds and maximizes its earnings by pooling the available cash of all funds and investing it in short-term/low risk investments. The City's investments are primarily comprised of U.S. Treasury Bills, highly liquid U.S. Agency Securities, bankers' acceptances and commercial paper. The City also maintains two accounts with the State of Oregon Local Government Investment Pool. Interest earned during FY 03-04 was \$726,083. The interest rates on the City's investments ranged from 1.13 to 2.57 percent during the fiscal year ended June 30, 2004.

The City's investment principle is to minimize credit and market risks while obtaining a competitive yield on its portfolio. The City has an adopted investment policy that is approved by the Oregon Short-Term Fund Board and by the City Council. The City maintains on file, the most current audited financial statements of all institutions that provide investment business with the City.

**Risk Management:** Risk management is vital to controlling property, casualty, and workers' compensation losses through the coordination of safety, loss prevention, and insurance and claims administration. The City is fully self insured for workers' compensation, unemployment, and dental claims. The City is partially self insured for general liability and property damage for the first \$125,000 per claim year, with excess exposure transferred to a municipal insurance pool. Medical insurance is premium based. Revenues for all insurance programs are generated from charges to other funds, investment earnings and insurance recoveries. Expenses consist of actual and estimated, incurred but not reported claims and administrative operating costs.

**Pension Plan:** The City's employees are participants in the State of Oregon PERS and the Oregon public Service Retirement Plan (OPSRP). Public employees hired on or after August 29, 2003 become part of OPSRP, unless membership was previously established in PERS. Further details on pension plan can be found in the notes to the financial statements.

## OTHER INFORMATION

**Independent Audit and City Audit Committee:** Oregon State Law requires every municipal corporation to submit an annual financial report to the Secretary of State to have its financial

statements examined by an independent certified public accountant. The examination is performed in accordance with auditing standards generally accepted in the United States of America and Minimum Standards for Audits of Oregon Municipal Corporations as prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy. State Law also requires an independent auditor express an opinion on the financial position and results of operations as reported by the municipal corporation for the period under audit. The City is in full compliance with the aforementioned requirement, and the independent auditors' report is included in this report.

**Awards:** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Beaverton for its comprehensive annual financial report for the fiscal year ended June 30, 2003. This was the twenty-fifth consecutive year the City has received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA, which reflects the conforming accounting system and comprehensive reporting practice of the City. In order to be awarded a Certificate of Achievement for Excellence, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report that conforms to program standards. Such a report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe our current report continues to conform to the Certificate of Achievement for Excellence Program requirements, and we are again submitting it to GFOA to determine its eligibility for another certificate.

The City's Program Budget Document for the fiscal year beginning July 1, 2003 was awarded a GFOA Award for Distinguished Budget Presentation. This is the sixteenth consecutive year that the City has received such an award. In order to qualify for the Distinguished Budget Presentation Award, the budget document must be proficient in several categories including policy documentation, financial planning and organization. The City's budget document continues to meet these criteria.

**Acknowledgments:** Finally, we would like to express our sincere gratitude to the personnel in the Finance Department who contributed in the preparation of this report, specifically Amber Hubbard, Sue Ann Koniak, Faye Rea, and J.J. Schulz. Without the efficient and dedicated services of the entire finance staff, preparation of this report, on a timely basis, could not have been accomplished.

The dedication, commitment and professional contribution to the financial stability of the City made by the Mayor, City Council, Budget Committee, Audit Committee and department managers cannot be overemphasized. Their dedication and commitment are of invaluable assistance in the management of the financial and community affairs of the City.

Respectfully submitted,



Patrick F. O'Claire  
Finance Director



Shirley Baron Kelly  
Assistant Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Beaverton,  
Oregon

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



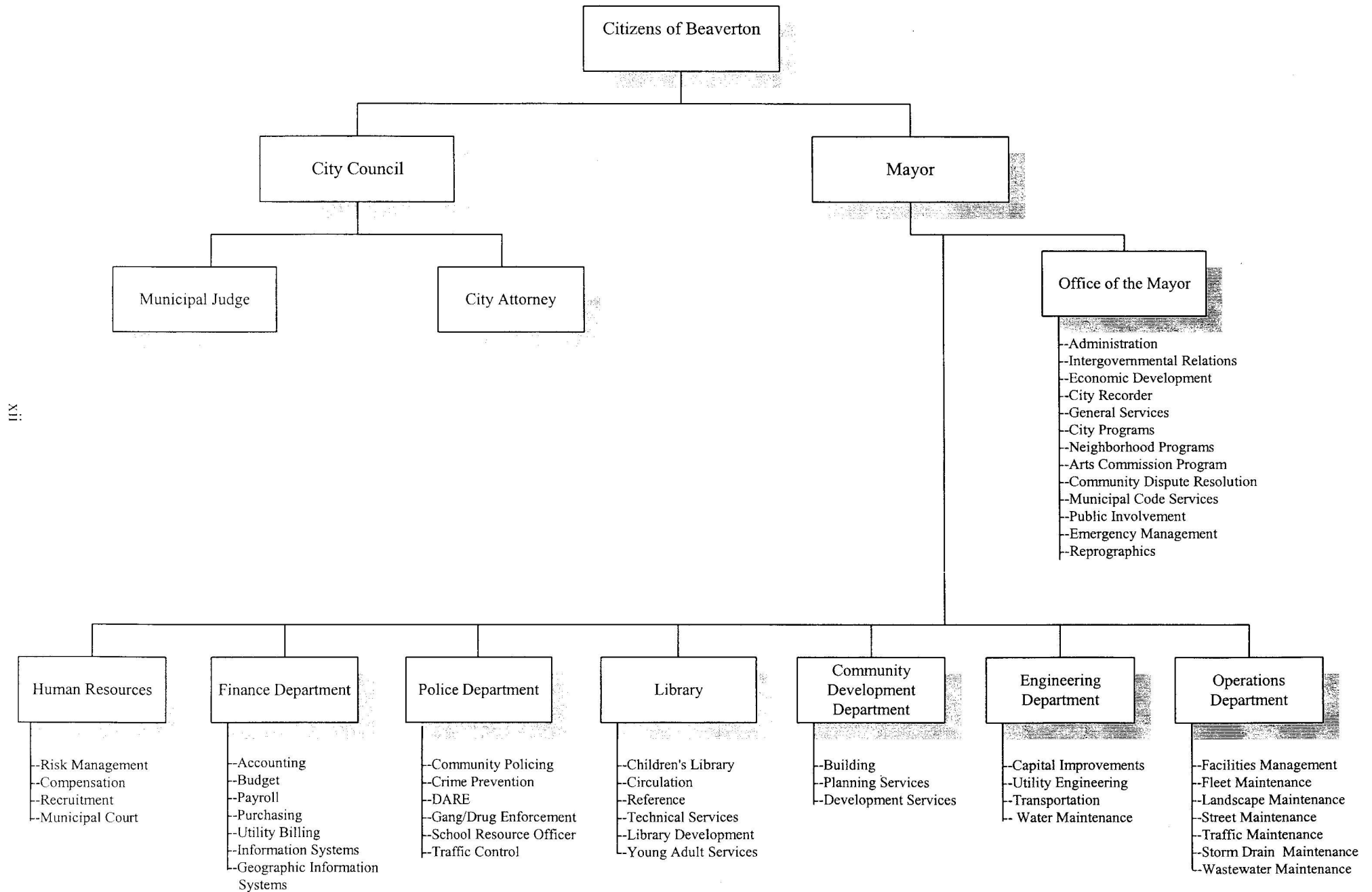
*Nancy L. Ziehl*

President

*Jeffrey R. Emer*

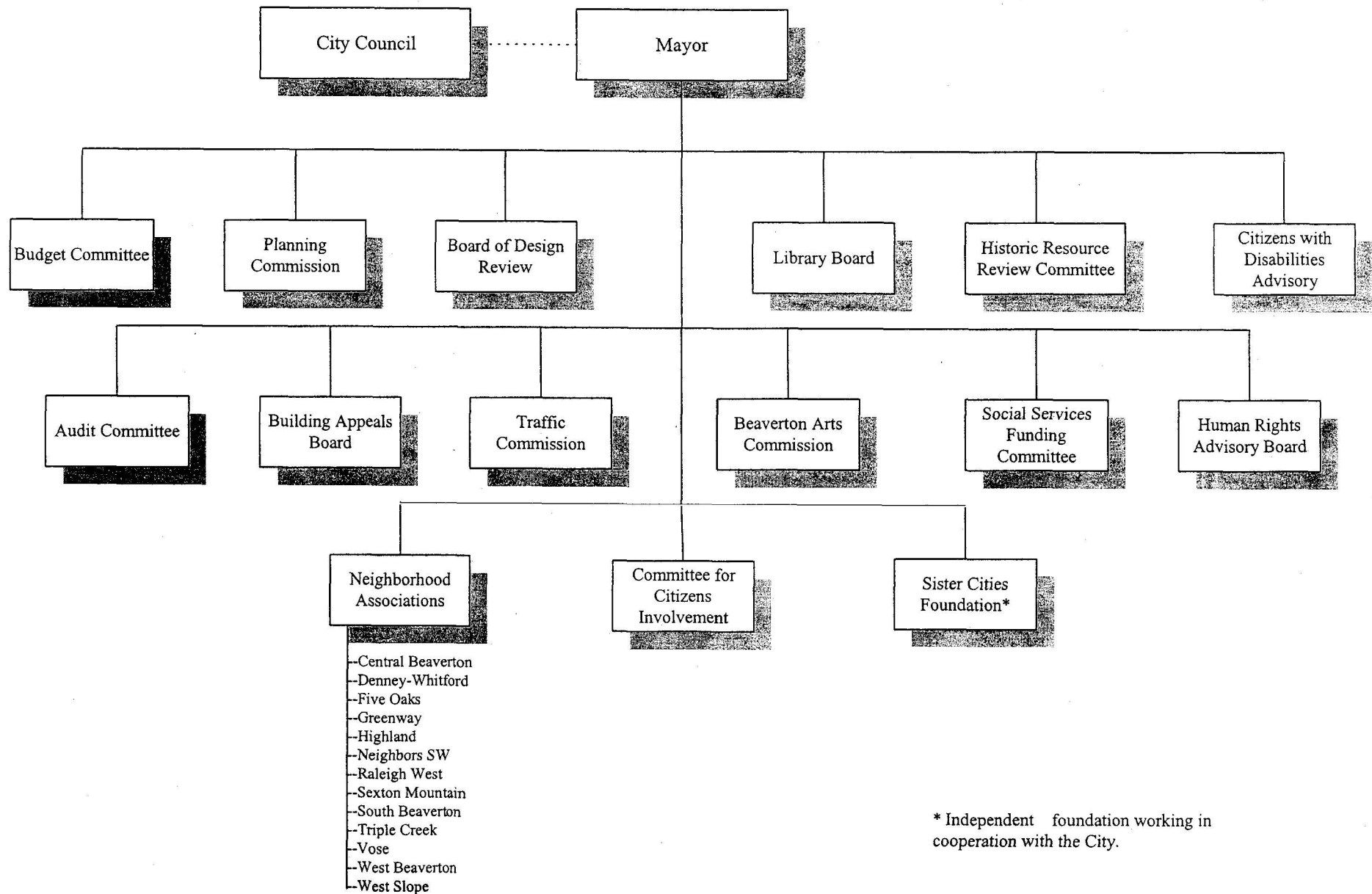
Executive Director

# Organization of the City of Beaverton



# City of Beaverton

## Boards, Commissions & Committees



\* Independent foundation working in cooperation with the City.

**CITY OF BEAVERTON, OREGON**  
**COUNCIL MEMBERS AS OF JUNE 30, 2004**

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<u>Name</u>	<u>Term Expires</u>
Rob Drake, Mayor 10764 S.W. Heron Circle Beaverton, Oregon 97007	December 31, 2004
Forrest Soth, Council President 4890 S.W. Menlo Drive Beaverton, Oregon 97005	December 31, 2004
Betty Bode, Member 14120 S.W. Tennessee Lane Beaverton, Oregon 97008	December 31, 2006
Dennis Doyle, Member 8355 S.W. Sexton Mountain Court Beaverton, Oregon 97005	December 31, 2006
Fred Ruby, Member 5825 S.W. Elm Avenue Beaverton, Oregon 97005	December 31, 2006
Cathy Stanton, Member 8595 S.W. Rebecca Lane Beaverton, Oregon 97005	December 31, 2004

**CITY OF BEAVERTON, OREGON**  
**AUDIT COMMITTEE AS OF JUNE 30, 2004**

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<u>Name</u>	<u>Term Expires</u>
Keith Parker, Chairman Internal Control and Accounting Policy Specialist Xerox Corporation	December 31, 2004
Dennis Doyle, Member Data Processing Consultant Dennis Doyle & Associates	December 31, 2006
Don Walton, Member Chief Executive Officer & Partner Interior Technology/Modernfold Northwest	December 31, 2006



**CITY OF BEAVERTON, OREGON**  
**BUDGET COMMITTEE AS OF JUNE 30, 2004**

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<u>Name</u>	<u>Term Expires</u>
Keith Parker Chairman	December 31, 2004
John Danielson Vice-Chairman	December 31, 2004
Don Walton Secretary	December 31, 2006
Betty Bode Council Member	December 31, 2006
Dennis Doyle Council Member	December 31, 2006
Ian King Member	December 31, 2004
Fred Ruby Council Member	December 31, 2006
Forrest Soth Council Member	December 31, 2004
Cathy Stanton Council Member	December 31, 2004

**CITY OF BEAVERTON, OREGON**  
**DEPARTMENT HEADS AS OF JUNE 30, 2004**

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Chief of Staff	Linda Adlard
Human Resources Director	Nancy Bates
Police Chief	David Bishop
Operations Director	Gary Brentano
Community Development Director	Joe Grillo
City Librarian	Ed House
Finance Director	Patrick O'Claire
Engineering Director	Tom Ramisch
City Attorney	Alan Rappleyea